



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

□ STATE CAPITOL
SACRAMENTO 95814
(916) 445-7380

□ 925 L STREET
SUITE 750
SACRAMENTO 95814
(916) 445-0255

WALTER M. INGALLS
CHAIRMAN

January 30, 1981

Letter Report 022

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's letter report concerning the California Occupational Information Coordinating Committee and its implementation of the California Occupational Information System.

The report concludes that although technical work has been performed by the COICC staff and member agencies, the committee is not currently disseminating occupational information. The report also notes that delays in accomplishing planned objectives often occurred due to personnel and administrative problems. The committee plans to disseminate an occupational Supply and Demand report early in 1981 and implement a career information delivery system in 1982.

The auditors are Eugene T. Potter, Audit Manager; Richard C. Tracy; Edwin H. Shepherd; and Kathleen L. Crabbe.

Respectfully submitted,

WALTER M. INGALLS
Chairman, Joint Legislative
Audit Committee

Telephone:
(916) 445-0255



Thomas W. Hayes
Auditor General

STATE OF CALIFORNIA
Office of the Auditor General
925 L STREET — SUITE 750
SACRAMENTO, CALIFORNIA 95814

January 15, 1981

Letter Report 022

Honorable Walter M. Ingalls, Chairman
and Members of the Joint Legislative
Audit Committee
925 L Street, Suite 750
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to your request, we have studied the operations of the California Occupational Information Coordinating Committee (COICC) and its implementation of the California Occupational Information System (COIS). Specifically, we were requested to review the following issues:

- The validity and reliability of occupational information generated by the COIS;
- The utility of occupational data disseminated to users and methods for promoting use of the information;
- The effectiveness of the COICC and the management of the COIS and the costs of the system.

The COIS is not currently producing occupational information; therefore, we could not assess the validity, reliability, and utility of the data. Instead, we reviewed the proposed input data and the committee's progress in implementing the system.

The review was conducted under the authority vested in the Auditor General under Sections 10527 and 10528 of the Government Code. Audit work was conducted at the COICC headquarters and the offices of committee members. Interviews were held with staff members, committee members, and state agency officials.

STUDY RESULTS

The California Occupational Information System is not currently disseminating occupational information. However, the California Occupational Information Coordinating Committee has collected input data and performed technical work to design and implement an information system. Participating agencies of the committee have provided data, although not all sources were able to supply data as required. We found that the projections of job opportunities were based on appropriate assumptions and that supply data were from appropriate sources. However, the accuracy of the data has not been verified. Further, we were unable to assess the utility of the COIS products and of the methods for promoting the use of these products because the system is not yet operational.

We also found that during the committee's first three years of operation, it frequently did not accomplish planned objectives specified in annual work plans. A lack of committee staff as well as administrative problems were, in part, responsible for this difficulty.

From October 1, 1977 to September 30, 1980, the committee expended approximately \$600,000 of its \$830,000 federal grant. The approximately \$230,000 remaining was returned to the federal funding source. The COICC member agencies have also contributed to developing data for the COIS and have expended funds not included in the federal grant amount.

The COICC plans to disseminate an occupational Supply and Demand Report in early 1981 and to adjust it periodically as additional and revised information is developed. The committee also plans to test the information to be used in a Career Information Delivery System at various sites.

Background

To help clarify our study results, we first describe the California Occupational Information System and then examine the administration and funding of the California Occupational Information Coordinating Committee.

California Occupational
Information System

An occupational information system is a network for compiling and disseminating information about occupations. The information should be useful to program planners, counselors, job placement specialists, and individuals looking for employment. The purpose of the information is to assist in evaluating and planning vocational and training programs and to aid individuals in selecting training and employment.

The California Occupational Information System grew out of occupational research activities being conducted by the Ventura County Superintendent of Schools in cooperation with the State Department of Education, the Chancellor's Office of the California Community Colleges, and the Employment Development Department. This research, begun in 1971, eventually resulted in the California Manpower Management Information System and was designed to provide occupational information for planning, guidance, and evaluation purposes.

The COIS has two major planned components--the Supply and Demand Report and the Career Information Delivery System. The Supply and Demand Report will include these items:

- Occupational demand information, that is information pertaining to the number of job opportunities within a specific geographical area over a given time period;
- Occupational supply information, that is information relating to the number of individuals working, seeking work, or being trained for work in a specific occupation over a given period of time;
- Supply and demand analysis which presents supply and demand information in a usable format.

The Career Information Delivery System will be available through computer terminals, microform, and printed materials and will include the following elements:

- Occupational information;
- Financial aid information;
- Information about the availability of training programs.

Members of the
Joint Legislative Audit Committee
January 15, 1981
Page 4

California Occupational Information
Coordinating Committee

Federal and state legislation addressed the need for occupational data by mandating state coordinating committees to develop and implement an occupational information system. The federal Vocational Education Act of 1976 (Public Law 94-482) established the National Occupational Information Coordinating Committee (NOICC) and provided funding for state committees.

AB 2020 (Chapter 972, Statutes of 1978) established the California Occupational Information Coordinating Committee. The legislation requires the committee to be composed of members from these six agencies: the Employment Development Department, the State Department of Education, the Chancellor's Office of the California Community Colleges, the Department of Rehabilitation, the California Employment and Training Advisory Council, and the Council for Private Postsecondary Education Institutions. The six agencies are required to produce and supply appropriate information for use in the COIS.

The committee is responsible for developing and implementing the system, for maximizing the dissemination and effective use of the information, and for seeking federal and other funds for its operation. The committee has recently established revised policies and priorities for administration and development of the COIS, and works with an executive director to prepare annual budgets, work plans, grant requests, and legislative reports.

In 1978, the committee contracted with the Ventura County Superintendent of Schools and adopted its California Manpower Management Information System as the California Occupational Information System. Ventura County continued to work on the system under contract until September 30, 1979, when the contract was not renewed. Since then, the administrative operations of the COIS have been in Sacramento; however, an interim executive director was not hired until April 1980. The director has employed two staff members and will hire four additional staff members within the next few months.

COICC Funding

The committee is funded by a NOICC Basic Assistance Grant. No state funds were appropriated to support the committee. Applications for the federal funds are made annually, and grants have been authorized for each of the federal fiscal years since 1977-78. These funds are used to support the committee and to develop and implement the COIS. The following table shows the grant amounts, expenditures, and encumbrances for the last three fiscal years.

NATIONAL OCCUPATIONAL INFORMATION
COORDINATING COMMITTEE
BASIC ASSISTANCE GRANTS TO COICC
FISCAL YEARS 1977-80

<u>Federal Fiscal Year</u>	<u>Grant Amount</u>	<u>Expenditures and Encumbrances</u>
1977-78	\$ 41,541	\$ 33,752
1978-79	465,254	464,028
1979-80	<u>323,927</u>	<u>100,000</u> (Estimated)
Total	<u>\$830,722</u>	<u>\$597,780</u>

The COICC was allowed to use unobligated funds from fiscal years 1977-78 and 1978-79 in the two following fiscal years. However, the Federal Government closed out all unexpended Basic Assistance Grants in fiscal year 1979-80, and the committee was not permitted to carry over approximately \$233,000 in remaining grant funds. The director of the committee estimated that only \$100,000 of the available 1979-80 grant was used because the committee did not have an executive director or staff from October 1979 to April 1980. The amounts encumbered were primarily for staff salaries from April to September 1980 and equipment for the new office. Approximately \$324,000 in new funding is available in federal fiscal year 1980-81.

In addition to federal grant funds, the committee receives in-kind contributions. An in-kind contribution is a donation of staff time and materials by the six committee member agencies. The costs of these are not charged to the grant funds. We were unable to determine the amount of in-kind contributions the committee has received because all member agencies did not account for these costs.

Reliability and Validity
of Occupational Information
Generated by the Committee

The California Occupational Information Coordinating Committee has not generated or disseminated information to the users of occupational information. Consequently, we cannot assess the reliability or validity of the system output at this time. However, the committee has collected supply and demand data and has developed occupational information in preparation for implementing the system.

In developing the system, the committee collected occupational supply and demand data from various state agencies. Our review of the information revealed that the data are from the appropriate sources and projections on occupational demand are based on sound assumptions. However, some of the data is not in usable format and all potential information sources were not able to provide supply information as required. In addition, most input data are not verified for accuracy by the agencies.

Supply data has been collected from several sources. The State Department of Education (SDE) and the California Community Colleges have supplied listings of the number of students enrolled in specific vocational education programs. These listings are provided in a usable format and include information submitted by approximately 440 local education agencies and 70 community college districts. Neither the SDE nor the community colleges verify the data for accuracy. In addition, the Office of Private Postsecondary Education has submitted a computer tape listing approximately 2,600 private postsecondary schools. The listing includes the schools' locations and their total enrollments, but it does not include the enrollment in specific occupational programs. Further, the Department of Rehabilitation has provided a listing of approximately 12,000 of its clients who have recently terminated vocational training. This data is in a usable format that identifies enrollments in occupational programs but may also include individuals who were reported by other training sources.

The committee has not compiled other supply data. For example, the California Employment and Training Advisory (CETA) Council is mandated to provide information on the number of persons participating in vocational education programs offered by 40 prime sponsors. This information has not been submitted. The personnel at CETA stated that the data should be available next year. The executive director is also attempting to obtain information from the U.S. Government regarding individuals who receive training at military installations. In addition, information concerning students from four-year colleges is also available from the California Postsecondary Education Commission.

The projections for occupational opportunities to be used in the COIS were supplied by the Employment Development Department. This information is published in the EDD's report, Projections of Employment, and includes a five-year projection of employment demand by industry and occupation. These projections are compiled from data provided by employers and data obtained from the census. The number of positions projected are adjusted by the EDD to allow for changes caused by projected industry expansion or decline, attrition of current employees, and fluctuations in population.

According to the executive director, the demand and supply data currently available will be integrated into an occupational supply and demand report. Although the report format is not final, it could include information on projected occupational supply and demand by industry over a five-year period from 1980 to 1985. However, because some of the supply data are incomplete and are not in a usable format, a report would not give a complete analysis of occupational demand and supply and should be used with qualifications.

Utility of Information Disseminated
and Methods to Promote
Maximum Use

We were unable to assess the utility of information disseminated because the committee has not distributed occupational information to users. According to the staff, an advisory committee has recommended to the COICC that the reports be sent to vocational training program planners and industry officials. The committee approved the recommendation in a December 1980 meeting of the COICC.

Management Effectiveness
of the Committee

During its first three years of operation, the committee often failed to accomplish goals and objectives established in annual work plans. While many important technical and administrative objectives were achieved, major work related to the implementation and dissemination of occupational information was delayed. As a result, the COIS is not currently disseminating occupational information as planned. In general, delays in the implementation of the system were caused by administrative and staffing problems.

Beginning in fiscal year 1977-78, the committee generated annual work plans to develop and implement the system. The plans identify objectives, activities, and responsibilities for the committee. The major objectives and activities were related to collecting data, designing systems, and testing and evaluating output.

We found that while the committee accomplished some goals related to the funding and organization, many system-related objectives were not achieved. For example, the fiscal year 1977-78 work plan had an objective to develop written policies and procedures on committee operations and system development. These procedures were not developed until March of 1979, six months after the end of the federal fiscal year.

Members of the
Joint Legislative Audit Committee
January 15, 1981
Page 9

The committee also planned to develop and implement a method for collecting and processing supply data from CETA programs. This objective was to be achieved in August of 1979; however, as of November 1980, this data from the CETA still was not available for use in the system. As a result, a major segment of the occupational supply data required by legislation was not available for the Supply and Demand Report. CETA officials indicate that this information will be provided in 1981. Additionally, our review of the committee's 1979-80 work plans and performance report showed that only 6 of 17 major objectives planned for the year were attained within established time frames.

Several factors have contributed to the committee's inability to meet all goals and objectives within time frames established by annual work plans. For example, locating the system in the Ventura County during the first two years, in our opinion, may have inhibited communication between committee members and staff and may have contributed to problems in defining system goals, objectives, and operating procedures. In addition, Ventura County declined to renew its contract with the committee for fiscal year 1979-80. Consequently, the implementation of system work plans were delayed until a new director was hired by the committee in April of 1980. Finally, the committee has not had the technical staff necessary to carry out the COIS activities since October 1, 1979. The committee still has not filled authorized positions and lacks technical staff needed to develop and design system output. According to the committee director, however, these positions are currently being filled.

Planned Committee Actions
Development and Implementation
of the System

With the data currently available, the committee plans to issue an occupational Supply and Demand Report in 1981. According to the director, this report will be in narrative form and will highlight only selected occupations. As additional data becomes available and user needs are adequately identified, this report will be modified and revised to meet those needs.

Members of the
Joint Legislative Audit Committee
January 15, 1981
Page 10

Further, the committee plans to conduct a pilot study of the Career Information Delivery System information in 1981. This information will consist of data on occupations and on the availability of training programs and financial assistance. In addition, the information will include job descriptions, salary information, working conditions, and training and education requirements. The information will be available through computer terminals, microform, and printed materials. The pilot study of the Career Information Delivery System will make this information available to selected users at several state locations, and the committee expects the system to be operational statewide in 1982.

CONCLUSION

The COICC is not disseminating occupational information to program planners, counselors, job placement specialists, and individuals looking for employment opportunities. As a result, these people may lack adequate information to assist them in effectively planning and selecting training programs and in selecting and evaluating career opportunities. We found that delays in implementing the California Occupation Information System primarily stem from administrative and staffing problems experienced during its first three years of operations.

Respectively Submitted,



for THOMAS W. HAYES
Auditor General

Staff: Eugene T. Potter, Audit Manager
Richard C. Tracy
Edwin H. Shepherd
Kathleen L. Crabbe

Attachment:

Response to the Auditor General's Report



1027 10th Street, Suite 302
Sacramento, CA 95814
916/323-6544

January 13, 1981

Mr. Thomas W. Hayes
Auditor General
California Legislature
925 L Street, Suite 750
Sacramento, CA 95814

Dear Mr. Hayes:

The draft copy of your letter report on the California Occupational Information Coordinating Committee (COICC) and its implementation of the California Occupational Information System (COIS) has been received and reviewed by the members of the Committee.

We find the report to be quite fair and generally accurate and would like to express our appreciation for the courteous and professional manner in which your staff members sought information and developed the report.

The development of an OIS is a long-term project which cannot be accomplished satisfactorily in California until the national guidelines and data element components have been completed:

- a. The National Occupational Information Coordinating Committee (NOICC) later this month plans to provide each SOICC director with a copy of the OIS Handbook which will delineate the procedures by which an OIS should be developed. This handbook has taken two years to prepare.
- b. NOICC requires that all Career Information be coded by Standard Occupational Code (SOC) by September, 1981. Under a special grant to Wisconsin, the 350 SOC descriptions are being updated. The first 150 descriptions are just now reaching the SOICC offices.
- c. The inability to obtain CETA training enrollments by occupation has been mentioned in the report. This data should be available late in 1981.
- d. Information on Instructional Programs is now coded by the Higher Education General Information Survey (HEGIS) codes or by the Vocational Education Data System (VEDS) codes. These current codes will be replaced in 1982 and 1983 by the Classification of Instructional Programs (CIP) codes recently developed by the National Center for Educational Statistics. Many agencies are working on the conversion which will take the better part of 1981.

- e. Occupational Demand data is coded by 4th Edition Dictionary of Occupational Titles (DOT). A match between labor supply and demand requires a crosswalk between the two data sets. The current crosswalk is from 3rd Edition DOT to United States Office of Education (USOE) program codes. The new crosswalk was due in November, 1980 but has not yet been received.
- f. It is necessary to estimate occupational supply from vocational and employment related programs. Two major issues relate to a potential for duplicate count when other agencies contract with training institutions and to an undercounting when VEDS requires only reporting of State plan programs.

A great deal of work is going on all over the country to solve the problems related to the implementation of an OIS.

There was little said in the Auditor General's report about the developmental tasks which have been completed in preparation for the implementation of the two major OIS Components:

For Supply/Demand Component

- A. The COICC staff is currently working with data that have been received from the statutory agencies to identify selected occupational categories that have supply/demand imbalances. As we overcome the barriers posed by the variety of occupational coding taxonomies mandated by different Federal entities, we will be able to combine these data with the descriptive information already contained in the occupational data bank being built by EDD.
- B. On December 17, 1980, COICC adopted the recommended Supply and Demand Dissemination Plan by the Advisory Committee. Each statutory agency will assist in the dissemination of the Supply/Demand Report to the appropriate agency units. COICC will in addition distribute a copy of the Supply/Demand Report to:

Public Libraries

Department Apprenticeship Standards Consultants Field Offices

Department of Apprenticeship Standards

Universities

Independent Colleges & College Associations

Chambers of Commerce

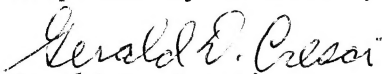
Others Upon Request

For Career Information Delivery System Component

- A. A Comparative Study of Career Information Systems as they Relate to User's Needs was published in December, 1979 by the Ventura County Superintendent of Schools Office and has been disseminated to all SOICC offices. This study was done under the direction of and for COICC when staff services were contracted with Ventura County.
- B. A CIDS Steering Committee composed of potential system users was formed and met five times during 1980 to advise the COICC of user needs and on CIDS development, implementation, and maintenance.
- C. Based on the CIDS Steering Committee recommendation, EDD has developed Abbreviated Occupational Guides in computerized form and on microfiche.
- D. EDD has developed a tape which provides a crosscode between 3rd edition DOT, Bureau of Labor Statistics occupation codes, and USOE codes.
- E. EDD has computerized occupational information using DOT, SOC, and GOE materials and is completing a user manual for this information.
- F. COICC has developed a user feedback system to assist in evaluating and improving the CIDS.
- G. Both EDD and the Department of Rehabilitation have identified local field offices to pilot test CIDS information.
- H. A real commitment has been made by three of the statutory agencies: State Department of Education, Chancellor's Office of the California Community Colleges, and the Employment Development Department. Each agency is currently processing an interagency agreement to transfer funds to COICC to support the CIDS pilot testing of information in six geographic areas of the State during 1981. The total funds contributed will be \$142,480.

The current year, 1981, will see the completion of most of the developmental tasks related to coding and procedures required to implement an OIS. Most of the operational problems faced by COICC since its inception have been solved. However, it should be noted that although an Interim Executive Director was appointed in April, 1980, the State Personnel Board has not yet approved a classification for a permanent executive director. If positive action is not taken soon by the Board, the COICC will again be faced with "administrative difficulties".

Respectively submitted,


Gerald D. Cresci
Chairman, COICC

GDC:LAA:jn